



## **COUNTY OF HUMBOLDT**

**Department of Health & Human Services  
Administrative Division**

**PHILLIP R. CRANDALL, DIRECTOR**

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September 5, 2006

Stuart Drown, Executive Director  
Little Hoover Commission  
925 L Street, Suite 805  
Sacramento, CA 95814

Dear Mr. Drown:

Thank you for the invitation to participate in the Little Hoover Commission's examination of the publicly-funded health care system in California.

I am pleased to assist you and have enclosed the requested materials; summary of written testimony, written testimony, biography, and Humboldt County's AB 1881 Strategic Plan. I look forward to seeing you on Thursday, September 28<sup>th</sup>.

Sincerely,

Phillip R. Crandall, Director  
Department of Health and Human Services

PRC/lb

Enclosures (4)

# Little Hoover Commission

Public Hearing, September 28, 2006

## Summary of Written Testimony

### Examining the publicly-funded health care system in California

#### County of Humboldt Department of Health and Human Services

*Phillip R. Crandall, Director*

The vision of the Humboldt County Department of Health and Human Services is that ***Humboldt County is a nurturing, supportive, healthy environment for its children, families, adults and communities.*** As a part of this vision the department is committed to promote, develop and maintain a continuum of services that encourages prevention and early intervention activities and to link those activities to more intensive services.

- Services will be tailored to match the multicultural and multilingual diversity of our community and will be developmentally appropriate.
- The partnership between County services and community-based organizations will be strengthened.
- Design a plan to improve medical and dental access, mental health services access and treatment for all children and youth.
- Develop strategies, with State assistance, to increase Mental Health Alcohol and Other Drug Services to “working poor” families through increased access to Healthy Families Mental Health/Alcohol and Other Drugs “basic” benefits package.
- Design and implement systems to ensure that all children and youth involved in HHS systems receive Mental Health and Health Assessments and/or service referrals as indicated upon contact with identified HHS access points.
- Develop and launch an enhanced Integrated Health and Human Services and Community response to children born with positive drug toxicology’s and their families inclusive of Social Services/Mental Health/Public Health and Community Partners.
- Develop a strategy for elder, dependent/disabled adults to increase access to and capacity of medical, mental health, and alcohol and other drugs services.
- Analyze existing policies, regulations, resources and strategic priorities to promote sound health policy development.
- Continue to work to improve the health and well being of the entire community.

The Humboldt County Department of Health and Human Services is an integrated department comprised of Public Health, Mental Health and Social Services branches and includes Alcohol and Other Drug services and Employment Training services. Because of this integration and the transformation of our service delivery system we are able to provide access to DHHS services from any point in our system.

DHHS does not act in isolation in performing core public health functions within the community. A broad range of other organizations and individuals contribute to public health activities either independently or in collaboration with DHHS. These organizations include governmental agencies, private organizations and an array of informal community associations and neighborhood groups.

### **Challenges:**

Some primary challenges that are barriers in providing access to care in our community include the complexity of application for public programs, the cost of private insurance, the inconsistency of eligibility and benefits of both private and public insurance programs, issues with training, recruiting and retention of healthcare providers (particularly in rural areas) and transportation to services.

The issue of too many uninsured individuals and families is, in part, due to the complications of applying, qualifying and retaining insurance whether publicly or privately funded. Other issues include working people who do not qualify for public insurance products and whose work places do not offer health insurance coverage or the cost of insurance offered is unaffordable. A lack of providers also increases costs and reduces options for local coverage.

The current insurance system disproportionately affects parts of the system such as ambulances and hospitals. Additionally, the lack of insurance blocks access to preventive services and makes acute and chronic disease management very expensive. Homecare funding has been cut while at the same time hospitals don't keep patients as long.

Medicare reimbursement is lower in rural areas. The reasoning behind a geographic adjustment of reimbursement rates appears related to the cost of living and wages in different regions. This results in significant disparities in reimbursements for physicians and hospitals, especially in rural areas. These disparities are especially crucial in areas that have a higher percentage of Medicare patients in their payer mix.

Rural counties in particular are having difficulty assuring a competent public health and personal health care workforce. Physician recruitment is difficult because there is a lack of physicians going into primary care. Family Practice training programs are closing due to the lack of applicants. Rural areas are hit particularly hard since the private practice model is the least attractive to new graduates, who prefer multi-specialty groups with

better work schedules, information technology, and opportunities for teamwork and learning collaboratives.

There is inadequate funding for prevention, dental, mental health, drug and alcohol and other public health services. Health education and prevention are our primary strategies for increasing the health of our communities. We need to develop a state strategy for funding integrated preventative and early intervention services.

Other challenges to our rural county are a lack of coordination at the state level in terms of state initiatives such as the Mental Health Services Act and the Child Welfare Services improvement activities. Specific barriers that result include multiple outcome requirements that require infrastructure and drain local resources, fragmented and inadequate pots of funds disconnected from needy target populations and a lack of holistic and efficient service delivery options. These silo impacts are exacerbated by barriers of isolation, due to geographic distances and the cost of gas. Other transportation issues include large geographic service areas, lack of public transportation and lack of healthcare providers in less populated areas of the county.

### **Strategies:**

Our existing healthcare system has myriad challenges most of which are outlined above. Our strategies include: development and launch of a Children's Health Initiative and a focused, community wide, outreach, enrollment, utilization and retention program; an integrated and transformational health and human services strategy to implement the Mental Health Services Act and Child Welfare Services improvement programs; an emphasis on development of community partner relationships with a focus on community resource centers and community clinics; and a strong health education and prevention component in all services and activities across health related systems.

### **Efforts that need to be explored on a State or National level are:**

- School loan forgiveness for health and human service graduates who work in publicly funded medical care and dental care systems or in public health and human systems.
- Medi-Cal and Healthy Families programs are the mainstay for providing health access to children and families at or near poverty. These programs need to be simplified and expanded. In order to maintain providers, adequate reimbursement should be explored.
- The California Children Services program (CCS) provides critical care to children with specified severe and/or chronic medical conditions. This program should be maintained without major impact on local government.

**Long-term strategies include:**

- State government and foundations should support communities to address improving health care infrastructure coordination and access to care across systems such as mental health, social services and public health.
- Universal coverage should be implemented. Universal coverage could integrate prevention and health maintenance with acute medical services and allow for planning and facilitate training and adoption of new evidence based practice across systems. Universal coverage also encourages the full implementation of prevention services.
- Primary care systems should have the full complement of clinical and prevention services offered including dental, vision, hearing, mental health, and alcohol and drug services. Services should be linguistically and culturally accessible and delivered from a holistic system framework that increases efficiency of these limited resources.

# Little Hoover Commission

Public Hearing, September 28, 2006

## Written Testimony

### Examining the Publicly-funded Health Care System in California

#### County of Humboldt Department of Health and Human Services

*Phillip R. Crandall, Director*

The vision of the Humboldt County Department of Health and Human Services is that ***Humboldt County is a nurturing, supportive, healthy environment for its children, families, adults and communities.*** As a part of this vision the department is committed to promote, develop and maintain a continuum of services that encourages prevention and early intervention activities and to link those activities to more intensive services.

To achieve this vision the department has the following goals that are contained in the Health and Human Services department strategic plan:

- Services will be tailored to match the multicultural and multilingual diversity of our community and will be developmentally appropriate.
- The partnership between County services and community-based organizations will be strengthened.
- Design a plan to improve medical and dental access, mental health services access and treatment for all children and youth.
- Develop strategies, with State assistance, to increase Mental Health Alcohol and Other Drug Services to “working poor” families through increased access to Healthy Families Mental Health/Alcohol and Other Drugs “basic” benefits package.
- Design and implement systems to ensure that all children and youth involved in HHS systems receive Mental Health and Health Assessments and/or service referrals as indicated upon contact with identified HHS access points.
- Develop and launch an enhanced Integrated Health and Human Services and Community response to children born with positive drug toxicology’s and their families inclusive of Social Services/Mental Health/Public Health and Community Partners.
- Develop a strategy for elder, dependent/disabled adults to increase access to and capacity of medical, mental health, and alcohol and other drugs services.

- Analyze existing policies, regulations, resources and strategic priorities to promote sound health policy development.
- Continue to work to improve the health and well being of the entire community.

Humboldt County Public Health Clinics provide a minimal amount of supportive direct medical services to residents and we do not have a County Public Hospital. Healthcare services are provided through a web of community services including a clinic network, community non-profits, local hospitals and private medical providers. The Department of Health and Human Services (DHHS) is the primary organizing and mobilizing force for public health practice and for community efforts to promote public insurance programs and access to care.

The Humboldt County Department of Health and Human Services is an integrated department comprised of Public Health, Mental Health and Social Services branches and includes Alcohol and Other Drug services and Employment Training services. Because of this integration and the transformation of our service delivery system we are able to provide access to DHHS services from any point in our system. The power of our integrated system to increase outreach and utilization of services is significant. This is enhanced by the web of support we have in coalitions and partnerships in the community including a close collaboration with community clinics, seventeen family and community resource centers, a dental coalition, and a coalition of community partners who are working on creating a healthy environment. The department is also working with a large community coalition to create and support a Children's Health Initiative in order to provide insurance for all children in Humboldt County.

DHHS does not act in isolation in performing core public health functions within the community. A broad range of other organizations and individuals contribute to public health activities either independently or in collaboration with DHHS. These organizations include governmental agencies, private organizations and an array of informal community associations and neighborhood groups.

### **Challenges:**

Some primary challenges that are barriers in providing access to care in our community include the complexity of application for public programs, the cost of private insurance, the inconsistency of eligibility and benefits of both private and public insurance programs, issues with training, recruiting and retention of healthcare providers (particularly in rural areas) and transportation to services.

Because of the complexity in applying for and accessing public insurance products, many eligible clients are not covered. Therefore, individuals and families are not connected to services they are eligible for and end up in emergency rooms and the hospital for uncompensated care or do not go for care at all. Humboldt County is making a huge outreach effort through the Children's Health Initiative to solve this problem for children by developing a single point of application for Medi-Cal, Healthy

Families, or our local third insurance product. We are examining the possibility of extending this effort to the adult population once the children's system is established.

The issue of too many uninsured individuals and families is, in part, due to the complications of applying, qualifying and retaining insurance whether publicly or privately funded. Other issues include working people who do not qualify for public insurance products and whose work places do not offer health insurance coverage or the cost of insurance offered is unaffordable. A lack of providers also increases costs and reduces options for local coverage.

The underinsured pose some similar problems for the health of the community. The share of cost for insurance is increasing and scope of insurance is decreasing. Many specialists in our rural area are not part of the provider system for insurance. Therefore, individuals may choose to go without care rather than pay the high cost of specialty care out of their own pocket. This creates a population with greater health needs that eventually impacts our emergency and hospital systems. Similar impacts to the mentally ill and dependent children also result.

The current insurance system disproportionately affects parts of the system such as ambulances and hospitals. Additionally, the lack of insurance blocks access to preventive services and makes acute and chronic disease management very expensive. Homecare funding has been cut while at the same time hospitals don't keep patients as long.

Medicare reimbursement is lower in rural areas. The reasoning behind a geographic adjustment of reimbursement rates appears related to the cost of living and wages in different regions. This results in significant disparities in reimbursements for physicians and hospitals, especially in rural areas. These disparities are especially crucial in areas that have a higher percentage of Medicare patients in their payer mix.

This is a complex problem that defies simple solutions. It is difficult to fix in a cost neutral way, since Medicare reimbursement lags behind the cost of providing the service. But, the fact is, some medical expenses, like drugs and equipment, are the same for rural and urban areas. And, Americans pay equal premiums to support Medicare.

Rural counties in particular are having difficulty assuring a competent public health and personal health care workforce. Physician recruitment is difficult because there is a lack of physicians going into primary care. Family Practice training programs are closing due to the lack of applicants. Rural areas are hit particularly hard since the private practice model is the least attractive to new graduates, who prefer multi-specialty groups with better work schedules, information technology, and opportunities for teamwork and learning collaboratives.

There are a decreasing number of physicians, dentists and other providers who will accept Medi-Cal, CMSP, and Medicare rates. An increasing number of providers feel



that private insurance reimbursement is inadequate. Hospitals have a high rate of uncompensated care patients. Local hospitals are impacted by State mandates to do seismic retrofit of their buildings. It is a challenge to keep our rural hospitals and medical practices open.

The public health workforce and the community medical care workforce are getting older. We need to attract a qualified, younger workforce in order to keep our system vibrant and healthy. In addition, the aging of the population in general is another huge challenge for our community. If we don't have a vibrant health care system, we cannot continue to have a healthy and economically vibrant community.

There is inadequate funding for prevention, dental, mental health, drug and alcohol and other public health services. Health education and prevention are our primary strategies for increasing the health of our communities. We need to develop a state strategy for funding integrated preventative and early intervention services.

Alcohol and other drug services are a great need in our communities. Lack of funding creates a lack of services.

Other challenges to our rural county are a lack of coordination at the state level in terms of state initiatives such as the Mental Health Services Act and the Child Welfare Services improvement activities. Specific barriers that result include multiple outcome requirements that require infrastructure and drain local resources, fragmented and inadequate pots of funds disconnected from needy target populations and a lack of holistic and efficient service delivery options. These silo impacts are exacerbated by barriers of isolation, due to geographic distances and the cost of gas. Other transportation issues include large geographic service areas, lack of public transportation and lack of healthcare providers in less populated areas of the county.

### **Strategies:**

Our existing healthcare system has myriad challenges most of which are outlined above. Our strategies include: development and launch of a Children's Health Initiative and a focused, community wide, outreach, enrollment, utilization and retention program; an integrated and transformational health and human services strategy to implement the Mental Health Services Act and Child Welfare Services improvement programs; an emphasis on development of community partner relationships with a focus on community resource centers and community clinics; and a strong health education and prevention component in all services and activities across health related systems.

### **Our successes so far include:**

- Humboldt County is partnering public health nurses, mental health clinicians and social services workers with family and community resource centers to enhance primary prevention and early intervention strategies.

- DHHS is partnering with the community clinics to provide telemedicine. This approach is being pursued in our behavioral health programs initially. In addition, the clinics in the county are beginning to implement telemedicine and have opened a telemedicine clinic with county government and community support.
- Humboldt County has launched a collaborative effort between agencies and community partners resulting in the creation of a Children's Health Initiative to insure all children in the county. There is an emphasis on outreach, enrollment, utilization and retention. The Health Initiative emphasizes enrollment in Medi-Cal and Healthy Families as well as a third insurance product for up to 300% of poverty level and undocumented persons.

Strategies that are still in process include exploring the development of an Adult Health Initiative. The group will be looking at redirection of existing resources to promote the sustainability of families, businesses and the community by providing a viable health care system and access for all county residents.

The Department of Health and Human Services will explore the potential for a waiver for County of Humboldt employees who are ineligible for Healthy Families coverage per the authorizing legislation.

**Efforts that need to be explored on a State or National level are:**

- School loan forgiveness for health and human service graduates who work in publicly funded medical care and dental care systems or in public health and human systems.
- Medi-Cal and Healthy Families programs are the mainstay for providing health access to children and families at or near poverty. These programs need to be simplified and expanded. In order to maintain providers, adequate reimbursement should be explored.
- The California Children Services program (CCS) provides critical care to children with specified severe and/or chronic medical conditions. This program should be maintained without major impact on local government.

These are short-term strategies that can better support the current system until we find long-term and more comprehensive solutions.

**Long-term strategies include:**

- State government and foundations should support communities to address improving health care infrastructure coordination and access to care across systems such as mental health, social services and public health.
- Universal coverage should be implemented. Universal coverage could integrate prevention and health maintenance with acute medical services and allow for planning and facilitate training and adoption of new evidence based practice across systems. Universal coverage also encourages the full implementation of prevention services.

- Primary care systems should have the full complement of clinical and prevention services offered including dental, vision, hearing, mental health, and alcohol and drug services. Services should be linguistically and culturally accessible and delivered from a holistic system framework that increases efficiency of these limited resources.